

House File 652 - Reprinted

HOUSE FILE 652

BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO HF 141)

(As Amended and Passed by the House April 14, 2011)

A BILL FOR

1 An Act providing an exemption from the computation of the
2 individual state income tax of all pay received for active
3 duty military service and service in Operation New Dawn
4 and including effective date and retroactive applicability
5 provisions.

6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 422.7, subsection 40, Code 2011, is
2 amended to read as follows:

3 40. Subtract, to the extent included, active duty pay
4 received by a person in the national guard or armed forces
5 military reserve for service performed on or after January
6 1, 2003, pursuant to military orders related to Operation
7 Iraqi Freedom, Operation New Dawn, Operation Noble Eagle, and
8 Operation Enduring Freedom.

9 Sec. 2. Section 422.7, Code 2011, is amended by adding the
10 following new subsection:

11 NEW SUBSECTION. 42A. Subtract, to the extent included,
12 all pay received by the taxpayer from the federal government
13 for military service performed while on active duty status in
14 the armed forces, the armed forces military reserve, or the
15 national guard.

16 Sec. 3. EFFECTIVE UPON ENACTMENT AND RETROACTIVE
17 APPLICABILITY.

18 1. This Act, being deemed of immediate importance, takes
19 effect upon enactment.

20 2. The section of this Act amending section 422.7,
21 subsection 40, applies retroactively to January 1, 2010, for
22 tax years beginning on or after that date.

23 3. The section of this Act enacting section 422.7,
24 subsection 42A, applies retroactively to January 1, 2011, for
25 tax years beginning on or after that date.